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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	CHAPTER 11
WORLDCOM, INC., <u>et al.</u> ,	:	Case No. 02-13533 (AJG)
Debtors.	:	(Jointly Administered)
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**INTERNAL REVENUE SERVICE'S DESIGNATION OF CONTENTS OF
RECORD ON APPEAL AND STATEMENT OF ISSUES ON APPEAL**

PLEASE TAKE NOTICE, that the Internal Revenue Service ("IRS") hereby designates the following items to be included in the record on appeal from the Stipulation and Order, which was entered on February 20, 2008.

1. All items already identified in the "Internal Revenue Service's Designation of Contents of Record on Appeal and Statement of Issues on Appeal," previously filed in this matter on July 12, 2007 (Docket #18997).
2. Declaration of John Trofimuk, with attached exhibits, filed on November 9, 2007 (Docket #19145).
3. Stipulation and Order between the Internal Revenue Service and UUNET Technologies, Inc., entered on February 20, 2008 (Docket #19241).

3. Notice of Appeal, filed on February 27, 2008 (Docket #19246).

PLEASE TAKE FURTHER NOTICE, that the IRS hereby states that the following are the issues on appeal:

A. Whether the Bankruptcy Court erred in holding that “central office-based remote access” telephone services are not taxable as “local telephone service” within the meaning of 26 U.S.C. § 4252(a).

Dated: New York, New York
March 7, 2008

Respectfully submitted,

MICHAEL J. GARCIA
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Attorney for the Internal Revenue Service

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To: Marcia L. Goldstein, Esq.
Lori R. Fife, Esq.
Alfredo R. Perez, Esq.
Weil, Gotshal & Manges LLP

Diana G. Adams
United States Trustee

CERTIFICATE OF SERVICE

I, Danna Drori, an Assistant United States Attorney for the Southern District of New York, hereby certify that on March 7, 2008, I caused a copy of the INTERNAL REVENUE SERVICE'S DESIGNATION OF CONTENTS OF RECORD ON APPEAL AND STATEMENT OF ISSUES ON APPEAL to be served upon the below-listed by first class mail:

To: Marcia L. Goldstein, Esq.
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Dated: New York, New York
March 7, 2008

/s/ Danna Drori
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